

### Remarks

The Office Action mailed February 8, 2007 and the Advisory Action mailed May 18, 2007 have been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1, 2, 6-9, and 12 are now pending in this application. Claims 1, 2, 6-9, and 12 stand rejected.

The rejection of Claims 1, 2, 6-9, and 12 under 35 U.S.C. § 102(e) as being anticipated by Brodersen et al. (U.S. Patent Application Publication 2002/0065764) (hereinafter referred to as “Brodersen”) is respectfully traversed.

Applicant respectfully traverses the assertion on page 8 of the Office Action that “Brodersen et al. indeed disclose, and certainly suggest, a signed master agreement between system participants, where the master agreement determines aspects of transactions before participation by a system participate commences. See, for example ¶ 47.” Rather, paragraph 47 of Brodersen recites:

[i]f a part is not identified in inventory, a reverse auction is initiated at step 72. If a part is found in inventory, an agreement database is searched at step 74 to determine if a pricing agreement exists with the customer. If a pricing agreement is found, the pricing information is included with the part information at step 76. Pricing agreements concerning used parts are common and the price may be determined, for example, based upon a certain percentage of the current list price for the part.

Accordingly, Applicant submits that Brodersen does not describe nor suggest a master agreement. Rather, as described in paragraph 47, Brodersen describes a pricing agreement. Applicant submits that there is a distinct difference between a master agreement and a pricing agreement. Specifically, a pricing agreement pertains merely to the price or goods, whereas, the master agreement, as described in the present application, includes restrictions and regulations on each aspect of the transaction, and, as such, is not only focused on pricing.

Moreover, to expedite the prosecution, the pending claims have been amended to include the limitation that the master agreement controls participation in the system.

Applicant respectfully submits that Brodersen does not describe nor suggest a master agreement that controls participation in a system. In addition, the claims have been amended to include the limitation that each of the system participants is required to sign the master agreement to initiate their participation in the system. In contrast, Brodersen clearly recites in paragraph 47 that “[i]f a part is found in inventory, an agreement database is searched at step 74 to determine if a pricing agreement exists with the customer. If a pricing agreement is found, the pricing information is included with the part information at step 76.” Accordingly, the pricing agreement described in Brodersen is an optional agreement that may or may not exist. Applicant submits that merely describing an optional pricing agreement that may or may not exist does not describe nor suggest a master agreement that each of the system participants is required to sign to initiate their participation in the system.

Accordingly, Applicant submits that Brodersen does not describe nor suggest the claimed invention. Rather, Brodersen describes a computerized system for marketing components or services. Brodersen describes that the method is preferably implemented in software and embodied in an online web-based system for marketing new and used parts or services. A customer’s part request, including part criteria, is received electronically via the internet by a single primary part supplier that determines whether the requested part is available. If the system identifies a part in the primary part supplier’s inventory that meets the customer’s criteria, then the part is offered to the customer. If the system does not identify a part in the primary part supplier’s inventory that meets the customer’s criteria, then the primary part supplier can initiate a reverse auction among secondary suppliers to obtain an acceptable part.

Claim 1 recites a network-based parts distribution system comprising “a plurality of buyer computers for operation by at least one of a plurality of system participants desiring to obtain one or more parts . . . a plurality of seller computers for operation by at least one of a plurality of system participants desiring to sell one or more parts . . . at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all

available parts and to receive part requests from said buyer computers, said at least one server computer is programmed to determine whether a part requested from a requesting computer of said buyer computers is available within said database . . . if said requested part is available, said server computer is programmed to select one or more parts from said database in response to said part request and send a message to said requesting buyer computer . . . if said requested part is unavailable, said server computer is programmed to end a selection process, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition . . . a master agreement that each of said system participants is required to sign to initiate their participation in the system, said master agreement controlling participation in the system and regulating terms of transactions made within the system . . . said server computer configured to relay a purchase order consistent with said transaction aspects determined by said master agreement wherein each of said system participants is able to buy and sell parts.”

Brodersen does not describe nor suggest a network-based parts distribution system as is recited in Claim 1. Specifically, Brodersen does not describe nor suggest a system including a master agreement that each of the system participants is required to sign to initiate their participation in the system, wherein the master agreement controls participation in the system and regulates terms of transactions made within the system. Rather, Brodersen merely describes an optional pricing agreement that merely dictates the price of goods. Accordingly, Applicant submits that Claim 1 is patentable over Brodersen.

Claims 2 and 6 depend from independent Claim 1. When the recitations of Claims 2 and 6 are considered in combination with the recitations of Claim 1, Applicant submits that Claims 2 and 6 likewise are patentable over Broderesen.

Claim 7 recites a method of distributing parts, wherein the method comprises the steps of “obtaining an agreement signed by each system participant of a plurality of system participants before participation of each of said system participants in the system is initiated, to join in a network-based, automated virtual warehouse parts distribution system, said agreements controlling participation in the system and regulating terms of transactions made

within the system, each system participant of a plurality of system participants is able to buy and sell parts . . . providing a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts . . . providing a plurality of seller computers for operation by a system participant desiring to sell one or more parts . . . providing at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network . . . using said seller computers to input part related data to said server computer . . . using said data to maintain a database of all available parts, said step of maintaining said database including sorting said parts in said database into a plurality of inventory categories, wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition . . . using said buyer computers to transmit part requests to said server computer . . . using said server computer to determine whether a part requested from a requesting computer of said buyer computers is available within said database . . . if said requested part is available, said server selecting one or more parts from said database in response to said part request and sending a message to said requesting buyer computer . . . if said requested part is unavailable, said server ending a selection process.”

Brodersen does not describe nor suggest a method of distributing parts as is recited in Claim 7. Specifically, Brodersen does not describe nor suggest a method of distributing parts that includes obtaining an agreement signed by each system participant of a plurality of system participants before participation of each of the system participants in the system is initiated, wherein the agreements control participation in the system and regulate terms of transactions made within the system. Rather, Brodersen merely describes an optional pricing agreement that merely dictates the price of goods. Accordingly, Applicant submits that Claim 7 is patentable over Brodersen.

Claims 8, 9, and 12 depend from independent Claim 7. When the recitations of Claims 8, 9, and 12 are considered in combination with the recitations of Claim 7, Applicant submits that Claims 8, 9, and 12 likewise are patentable over Broderesen.

For at least the reasons set forth above, Applicant respectfully requests that the Section 102 rejection of Claims 1, 2, 6-9, and 12 be withdrawn.

The rejection of Claims 1, 2, 6-9, and 12 under 35 U.S.C. § 102(b) as being anticipated by Woolston (U.S. Patent 5,845,265) is respectfully traversed.

Applicant respectfully traverses the assertion on pages 5 and 6 of the Office Action that Woolston describes the claimed invention. Specifically, Applicant respectfully submits that the Office Action merely recites the language of Claim 1 in making the assertion that Woolston describes the claimed invention. More specifically, Applicant maintains that the Office Action has not pointed to any features and/or portions of Woolston that support the assertion that Woolston describes the claimed invention. In particular, the Office Action has not identified which features of Woolston are considered to correspond to the specific elements recited in Claim 1. Applicant submits that it is clear error to assert that Woolston anticipates the claimed invention without providing references to the features of Woolston considered to correspond to specific elements recited in Claim 1. As such, if the Examiner continues to rely on this reference to reject the claimed invention, Applicant respectfully requests a detailed citation, including page and line number, etc., identifying the specific portion of the reference being relied on in anticipating each specific element recited in the claims.

Further, Applicant submits that Woolston does not describe nor suggest a master agreement that each of the system participants is required to sign to initiate their participation in the system, wherein the master agreement controls participation in the system and regulates terms of transactions made within the system. Rather, Woolston merely describes at column 9, lines 12-15 that “[i]t is understood that the consignment node user may require the get login response 104 to retrieve a credit card number, pin number, user ID and the like, to grant access privileges.” Accordingly, Woolston only requires that a participant provide identification and credit information prior to participating in the system. Applicants submit that merely requiring identification and credit information is not the equivalent of signing a master agreement that controls participation in the system and regulates terms of transactions made within the system.

Moreover, Woolston describes at column 3, line 66 to column 4, line 2 that “the consignment node user may build business goodwill into his particular consignment node

operation by establishing his own particular subjectivity and quality standards in item postings.” Column 4, lines 44-46 further recite that “[i]t is within the sound discretion of an individual consignment node user to establish [their sales practices].” Accordingly, “the consignment node is a trusted network for consignment node users providing value to the network by imposing a quality and performance structure on the consignment nodes.” (Column 4, lines 53-56) As such, Woolston describes a “trusted network,” wherein the participation of each user and the terms of transactions are dictated by the “goodwill” of the users. Applicant submits that describing providing identification and credit information to access a system that is governed by the goodwill of its “trusted” users does not describe or suggest a system including a master agreement that each of the system participants is required to sign to initiate their participation in the system, wherein the master agreement controls participation in the system and regulates terms of transactions made within the system.

Accordingly, Applicant submits that Woolston does not describe nor suggest the claimed invention. Rather, Woolston describes a consignment node including four modes of operation that includes a software download mode, an auction mode, an agent mode, and a market mode. Because a plurality of participants buy and sell on the consignment node, the consignment node may establish a market or become a market maker. Woolston describes that a consignment node operator/user establishes a consignment node by creating a database of goods, each good having a data record. In the market mode (110), a buyer participant may electronically log onto a consignment node and enter a browse node to peruse the consignments node database of goods in a market (450). The buyer participant may elect to buy or make an offer to buy a good.

In the agent mode (112), Woolston describes that the buyer participant may invoke a consignment node Agent within a first consignment node to search a plurality of consignment nodes. More specifically, the buyer participant fills in search parameters for a good requested. Based on the search parameters, the Agent then checks a list of other consignment nodes network addresses, which is kept in the database of the first consignment node. The Agent communicates with the other consignment nodes to see if the other nodes have the requested good. Notably, the inventories of the other consignment nodes are not part of the

first consignment node's database when the determination of requested good availability is made in response to the customer's part request.

Claim 1 recites a network-based parts distribution system comprising "a plurality of buyer computers for operation by at least one of a plurality of system participants desiring to obtain one or more parts . . . a plurality of seller computers for operation by at least one of a plurality of system participants desiring to sell one or more parts . . . at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers, said at least one server computer is programmed to determine whether a part requested from a requesting computer of said buyer computers is available within said database . . . if said requested part is available, said server computer is programmed to select one or more parts from said database in response to said part request and send a message to said requesting buyer computer . . . if said requested part is unavailable, said server computer is programmed to end a selection process, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition . . . a master agreement that each of said system participants is required to sign to initiate their participation in the system, said master agreement controlling participation in the system and regulating terms of transactions made within the system . . . said server computer configured to relay a purchase order consistent with said transaction aspects determined by said master agreement wherein each of said system participants is able to buy and sell parts."

Woolston does not describe nor suggest a network-based parts distribution system as is recited in Claim 1. Specifically, Woolston does not describe nor suggest a system including a master agreement that each of the system participants is required to sign to initiate their participation in the system, wherein the master agreement controls participation in the system and regulates terms of transactions made within the system. Rather, Woolston merely describes providing identification and credit information to access a system that is

governed by the goodwill of its trusted users. Accordingly, Applicant submits that Claim 1 is patentable over Woolston.

Claims 2 and 6 depend from independent Claim 1. When the recitations of Claims 2 and 6 are considered in combination with the recitations of Claim 1, Applicant submits that Claims 2 and 6 likewise are patentable over Woolston.

Claim 7 recites a method of distributing parts, wherein the method comprises the steps of “obtaining an agreement signed by each system participant of a plurality of system participants before participation of each of said system participants in the system is initiated, to join in a network-based, automated virtual warehouse parts distribution system, said agreements controlling participation in the system and regulating terms of transactions made within the system, each system participant of a plurality of system participants is able to buy and sell parts . . . providing a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts . . . providing a plurality of seller computers for operation by a system participant desiring to sell one or more parts . . . providing at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network . . . using said seller computers to input part related data to said server computer . . . using said data to maintain a database of all available parts, said step of maintaining said database including sorting said parts in said database into a plurality of inventory categories, wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition . . . using said buyer computers to transmit part requests to said server computer . . . using said server computer to determine whether a part requested from a requesting computer of said buyer computers is available within said database . . . if said requested part is available, said server selecting one or more parts from said database in response to said part request and sending a message to said requesting buyer computer . . . if said requested part is unavailable, said server ending a selection process.”

Woolston does not describe nor suggest a method of distributing parts as is recited in Claim 7. Specifically, Woolston does not describe nor suggest a method of distributing parts that includes obtaining an agreement signed by each system participant of a plurality of



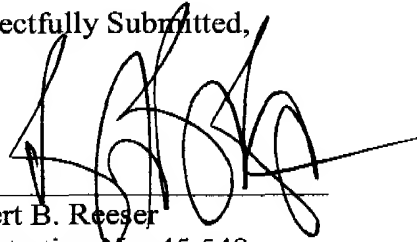
system participants before participation of each of said system participants in the system is initiated, wherein the agreements control participation in the system and regulate terms of transactions made within the system. Rather, Woolston merely describes providing identification and credit information to access a system that is governed by the goodwill of its “trusted” users. Accordingly, Applicant submits that Claim 7 is patentable over Woolston.

Claims 8, 9, and 12 depend from independent Claim 7. When the recitations of Claims 8, 9, and 12 are considered in combination with the recitations of Claim 7, Applicant submits that Claims 8, 9, and 12 likewise are patentable over Woolston.

For at least the reasons set forth above, Applicant respectfully requests that the Section 102 rejection of Claims 1, 2, 6-9, and 12 be withdrawn.

In view of the foregoing amendment and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R. B. Reeser', is written over a horizontal line.

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